Closing down of paper mills

216. SHRI V. NARAYANASAMY: Will the Minister of INDUSTRY be

pleased to state:

(a) whether it is a fact that the paper indusry in India is facing a crisis and more than a hundred mills have been closed down since 1985 till date;

(b) whether it is also a fact that because of the accumulation of stocks and due to a glut in the market and outmoded technology this industry is suffering; and

(c) if so, what steps Government have taken to reopen closed paper mills?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) and (b Although the paper industry is facing constraints in the matter of availability of raw material, power and coal, low return on investment, technological obsolescence etc., the overall performance of the industry in terms of capacity build-up and production is considered satisfactory. The installed capacity of the industry has gone up from 26. 55 lakh tonnes to 27. 53 lakh tonnes during the year 1986 and production from 15 lakh tonnes to about 16 lakh tonnes during the same year: The increase in production has ensured easy availability of paper and paperboard in the country. However, there i_s urgent need for the industry to upgrade technology and modernise its facilities for optimising production and reducing costs. Four large integrated paper mills and a few small paper mills are lying closed at present for various reasons.

(c) The Institutions and Banks have been extending need-based reliefs and concessions to the paper mills on a case to case basis and have been following a liberalied policy towards modernisation, Government have also granted various fiscal and financial reliefs to the industry from time to time to enable it to improve its capacity utilisation and financial viability. A Board for In-dUstral and Financial Reconstruction has been set up in terms of the Sick Industrial Companies (Special Provision) Act, 1985, with wide ranging powers, for taking various measures pertaining to sick industrial companies, falling within the purview of the Act.

Foreign exchange earnings by Automobile Industry

217. SHRI V. NARAYANASAMY: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government have assessed the situation that automobile industry in India could earn Rs. 3000 crores of foreign exchange annually by the end of 1990 in view of Japanese Technology and Collaborations; and

(b) what kind of incentives are being given by Government to such export-oriented industries to boost their exports?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) The Sub-Group on Automobiles and Earth-moving Industry for the 7th PLm had suggested export targets of 10, 000 Commercial Vehicles, 50, 000 two-wheelers and 10, 000 Cars per annum by 1989-90 in addition to automobile ancillaries.

(b) Government is providing a variety of incentives for facilitating export production including financial and fiscal incentives, reduction of input costs, technological upgradation and removal of licensing constraints.

Impact of drought on Industrial Growth

218. SHRI VIRENDRA VERMA: Will the Minister of INDUSRTY be pleased to state:

(a) what is the percentage by which the industrial growth rate in the country has been adversely

affected by the drought conditions in various parts of the country; and

(b) what measures are contemplated by Government to insulate the industry and the economy in general from the adverse effects of drought?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) According to CSO's, index of industrial production the rate of industrial growth was 8. 9 per cent in 1986-87 as compared to 8. 7 per cent in 1985-86. As per the latest available information the rate of growth during April-May 1987 was 10. 7 per cent over April-May, 1986.

(b) Government have taken a number of measures such as making available essential commodities through a wide network of distribution, employment generation in the drought affected areas through relief works and improved supply of raw materials and power.

Reservation of Industries for Small Sector

219. SHRI AJIT P.. K. JOGI; Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that certain industries have been reserved by Government only for the small scale sector;

(b) whether there is any proposal to reduce or increase this number; if so, the details thereof; and

(c) what other freshinitiatives Government propose totake for helping and encouragingthe small scale industries?

THE MINISTER OF STATE TN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM), (a) Yes, Sir. I

(b) Reservation/Dereservation of items is a continuous process and the list of reserved items is being reviewed periodically. by a Cornmittee constituted by the Govt, under I(D&R) Act. This Committee meets at regular intervals and recommends; to the Government items to be added and deleted from the reserved list. 847 items have been reserved for exclusive manufacture in the small scale sector as on date.

(c) Government have been pursuing several policies and taking measures from time to time for helping and encouraging the small scale sector. These include reservation of items for exclusive production and purchase, enhancement of investment limlit in plant and machinery excise concessions, setting up of Small Industry Development' Fund, the National Equity Fund, operation *ot* a Margin Money Scheme for revival of sick units, provision of concessional finance, skill development through training programmes, setting up of field testing centres, design and development of proto-types, common facilities services, upgradation of skill and technology and consultancy through a network of Small Industries Service Institutes (SISIs), Branch Institutes and Extension Centres spread all over the country.

Shortfall in cement production due to power shortage

220. SHRI SHARAD YADAV: SHRI VIRENDRA VERMA:

Will the Minister of INDUSTRY be pleased to state:

(a) what is the anticipated percentage of shortfall in cement production during 1987-88 due to acute power shortage in the country and what is its likely impact on the availability and the price structure of cement; and

(b) what measures are contemplated by Government to improve the situation by bringing down the production shortfall to the minimum and